

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1084

IN THE MATTER OF:

Served August 21, 1970

Cost Allocation Study of )  
Fares Charged by D. C. )  
Transit System, Inc. )

Docket No. 131R

On October 8, 1968, the U. S. Court of Appeals issued its opinion in Payne v. WMATC, 415 F.2d 901 (D.C. Cir. 1968). The court remanded that case to us for a study of certain questions concerning the rate structure of D. C. Transit System, Inc. The court's mandate was received on December 6, 1968. The Commission determined that the task assigned to it by the court could be most thoroughly and reliably carried out if the study in question were undertaken by some reputable and qualified transportation consulting firm. Accordingly, it drew up a prospectus soliciting proposals for the study and circulated it to a substantial number of such firms. That prospectus was sent out on December 18, 1968. A number of firms submitted proposals to the Commission by April, 1969. The Commission staff thereupon undertook to evaluate the proposals and determine the most appropriate one for acceptance. They sought and received assistance in this task from the transportation planning staff of the Metropolitan Washington Council of Governments.

It was determined in Order No. 941 that the best proposal was that of Alan M. Voorhees & Associates, Inc., a nationally recognized transportation consulting firm of high repute, which had performed a number of transportation studies in the Washington area and, accordingly, had a substantial background of knowledge and data concerning the problem at hand. Further correspondence and discussions took place between Voorhees representatives and the staff concerning the precise nature of the study required. On April 16, 1969, an agreement was reached and the study began. The Voorhees firm submitted its report to the Commission in November, 1969.

The staff thereupon distributed the report, both to the parties in the Payne proceeding itself, and to all persons and groups who had participated in recent D. C. Transit rate proceedings. The report was a lengthy and complicated one, so the Commission felt that a substantial time should be provided the parties for study of the report before proceeding to hearings on the subject. Accordingly, we provided three months before scheduling a pre-hearing conference on the matter.

On February 13, 1970, then, we issued our Order No. 1013 setting a pre-hearing conference for March 2, 1970. At that time, attorneys for the following interested parties appeared: D. C. Transit System, Inc., the Willing Workers (a group of welfare recipients), the D. C. Federation of Civic Associations, Malaku J. Steen, pro se, the Metropolitan Citizens Advisory Council, and the Commission staff.

Each party was asked to state its plans as to the nature of its presentation at the hearing. The following picture emerged.

#### The Staff

The Commission staff plans to take the lead in the hearings. It will place the Voorhees Report in the record, supported by testimony from Messrs. Ralph E. Rechel and Robert A. Keith, who worked on the study for Voorhees. Some additional testimony on intra-District fare zones may be presented by Sheldon A. Kinbar, the Commission's Urban Transportation Planner.

#### The Company

The company had not made firm plans on its presentation, but indicated that it might present testimony from company officials. Company counsel indicated that any additional evidence presented by the company would concern the question of intra-District zones. They also reserved the right to present rebuttal testimony.

Willing Workers, Steen, D.C. Federation

Each of these parties indicated that its presentation would be limited to cross-examination.

Metropolitan Citizens Advisory Council

MCAC was the last to indicate its plans. At the time of the conference, it also did not know whether it would call witnesses for direct testimony, or limit its presentation to cross-examination.

In discussing MCAC's view of the issues at the initial pre-hearing conference, its counsel indicated that his study of the Voorhees report had raised three areas of concern which he wished to explore: 1) the consistency of using origin and destination data gathered in 1966, with the rate structure in effect in 1969; 2) the adequacy of the revenue data employed by Voorhees; 3) what counsel characterized as "the array of data". It appeared from the discussion that a conference of counsel and the Voorhees personnel to discuss these questions would be useful. Accordingly, such a meeting was held at the Voorhees offices on March 10, 1970, and a second pre-hearing conference to discuss its results was scheduled for March 19, 1970.

At that second conference, counsel for MCAC expressed the desire for certain additional data and studies before proceeding with the hearing. We will take up each of these requests in turn.

MCAC first sought copies of the instructions given the Voorhees organization in connection with the study. All of this information was furnished to counsel for all parties on the day MCAC requested it, i.e., March 19, 1970.

Next, MCAC requested certain data which either underlay or were connected with the Voorhees study. 1) They wished to have revenue data on a line-by-line basis. Voorhees and company officials agreed that no such data were readily available. However, it was suggested that an approximation of some kind could be made. We will direct the staff through Voorhees, with the company's cooperation, to make such an approximation and furnish it to all parties. 2) They wished to have a computer print-out showing all trips from each zone used by Voorhees in such study to all other such zones, on a zone-by-zone basis.

We understood from the Voorhees representatives that such a print-out could be made and we will direct that it be furnished. 3) They sought certain Transit traffic studies, specifically one traffic check at the peak-load point on each line done during 1966 and 1967 plus any tabulation done by Transit from those traffic checks. We will require Transit to furnish this data to MCAC and the other parties. 4) They wished to obtain a breakdown of the cost figures set out in Table A2 of the Voorhees report between peak hours (as defined by Voorhees) and non-peak hours. Again, it was our understanding from the Voorhees representatives that such a breakdown could be made. We will require that it be done.

Counsel's next request was of an entirely different nature. Rather than seeking basic data related to the Voorhees study, counsel, in effect, asked that an entirely new study be made. Certain neighborhood zones were to be defined. The actual travel patterns of persons living in those zones were to be determined. The costs per line for each line actually used by such persons were then to be ascertained. The line cost and travel pattern data would then be used to obtain an average cost per person leaving the zone. This would then be compared with the fare paid.

We have given this proposal by MCAC counsel a great deal of thought and have determined that we will not require that such a study be undertaken. The Payne decision remanded the matter to us for a study of the problem of rate design. In response to the court directive, the staff engaged the services of a thoroughly qualified transportation consulting firm. That firm undertook a study on the basis of thorough study of the Payne decision and consultation with the staff. We do not believe that the court's decision requires us to undertake whatever additional study or studies counsel for MCAC wishes to suggest.

This does not mean that we do not welcome whatever assistance MCAC wishes to provide us. Any studies they undertake and present to us will receive our very careful attention. That is not the question at issue here, however. They are not proposing to do their own study. They wish the staff to undertake it, bearing both the effort and the expense. <sup>1/</sup>

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<sup>1/</sup> The expense, of course, would be assessed against the company and, in the last analysis, be borne by the riding.

However, the staff indicated at the pre-hearing conference that they felt that the Voorhees study and report fully and adequately covered the ground outlined in the Payne opinion. For these reasons, we will not require that the study suggested by MCAC counsel be undertaken by the staff. If MCAC wishes to make such a study, however, we will ask the staff and the company to cooperate in making extant data available, it being clearly understood that the cost and manpower would have to be provided by MCAC.

In a similar request, MCAC asked that the Voorhees study be recast so as to compare the origin and destination data of 1966 and 1967 used by Voorhees in making the study with the fare structures in effect in 1966 and 1967, rather than with the 1969 fare structures used by Voorhees in its report. We will deny this request also. The study as made is what the staff feels is responsive to the court's wishes. If MCAC wishes a different study, it should undertake it directly. Moreover, we feel that the thrust of the court's directive in Payne was prospective and not historical. They wished, in other words, to ensure that the fare structures which followed the study they directed would meet the necessary standards. MCAC's request is directed more toward learning whether some past structure met those standards. We do not feel that this question is within the ambit of the court's decision.

This, then, disposes of the questions raised at the pre-hearing conferences. When the data discussed above have been made available to the parties, we can proceed to hearing. At our direction, the staff has determined that the material in question can be furnished by the end of September, 1970. We will schedule a hearing thirty days thereafter. If MCAC, or any other party, requires further time after seeing the data in question, they may file an appropriate request.

The additional work required of Voorhees will entail additional expense. We will assess this expense against Transit pursuant to Article XII, Section 19 of the Compact.

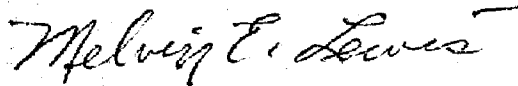
THEREFORE, IT IS ORDERED:

1. That the staff arrange for Alan M. Voorhees & Associates, Inc., to prepare and distribute to all parties by September 28, 1970, (1) an approximate breakdown on a line-by-line basis of the revenue data used in its report; (2) a print-out showing all trips from each zone used by Voorhees in its study to each other zone; and (3) a breakdown between peak and non-peak hours of the cost figures in Table A2 of its report.

2. That D. C. Transit System, Inc., prepare and distribute to all parties by September 28, 1970, a 1966 and 1967 peak load point traffic check on each of its lines, and any tabulation it has done with those checks.

3. That a hearing on this matter shall be held in the hearing room of the Commission, 1625 I Street, N. W., Washington, D. C., on Thursday, October 29, 1970, at 10:00 A. M.

BY DIRECTION OF THE COMMISSION:



MELVIN E. LEWIS  
Executive Director